Agricultural Credits – 1922

Alabama.

PROGRESS OF THE FARM LOAN BANK.

Montgomery Advertiser 10/2/22

The New Orleans Times-Picayune of Monday carries the following story of the New Orleans Federal Farm Loan Bank for the district which includes Alabama, which should be of interest to farmers:

Loans are now being made at the rate of nearly $1,500,000 a month by the New Orleans Federal Land Bank, T. F. Davis, president, said Sunday. This is about all that can be expected consistent with safety as the loans mostly are small, averaging less than $2,000 each, he said. Since May 1, when the bank resumed making loans after being shut down on account of litigation, the New Orleans bank has received applications for loans amounting approximately to $25,000,000.

In December loans amounted to $1,300,000 and went to more than 750 persons. In the number of loans made the bank established a new record, the former record being a few above the 500 mark. The bank received during the month 1067 abstracts, which also is a new high record. Loans will be made on these later.

Since organization in 1917, the bank has loaned more than $30,000,000 to approximately 18,000 farmers in Louisiana, Mississippi and Alabama.

"The progress of the bank has been surprising and gratifying to the friends of the system," said Mr. Davis. "It has fulfilled the aims of the system better than any other of the banks, in that the average of the loans is the lowest and money has gone to the greatest number of people, farmers in moderate circumstances.

Federal Farm Land Bank bonds are commanding a premium, Mr. Davis said, and new securities are being issued as fast as it is safe to put the bonds out; but to issue a sufficient amount to meet all the demands on the banks would glut the market and injure the standing of those already sold.

It had been observed that for two or three months farmers in this section of Alabama were manifesting more interest in the Federal farm loan system than usual. Numerous loans for considerable sums have been arranged for Middle Alabama farmers, and doubtless for farmers in other parts of Alabama, in recent months.

The farmer who is looking for a long-time loan under terms which suit him best can do no better than to apply for the funds provided by this department of the Government. The most essential requirement of the borrower is that he cultivate his lands himself and that his principal income shall be derived from his farm. The purpose of the system is to encourage farmers to develop their lands to the highest point of productivity, and to this end low interest rates are charged him for loans the principal of which expires in 35 years.

FEDERAL LAND BANK AIDS DALE FARMERS

Loans Totalling More Than One Million Dollars Recommended in Statement

Montgomery Advertiser

(Special to The Advertiser)

OZARK, ALA., Oct. 2.—The federal farm loan system has rendered much financial assistance to the farmers of this section of Alabama during the present year, according to Frank O. Deese, federal land appraiser, in this district for the Federal Land Bank of New Orleans.

10/2/22

He informs us that during the nine months from January 1 to October 1 of this year he has appraised 527 farms in this territory, and that he has recommended loans totalling $1,125,300. By far the greater part of this large sum, he says, has gone to pay off debts these farmers owed to the local banks, thus relieving the financial pressure on these local concerns and enabling them to show further favors to their customers.

The Federal Land Bank operates through local associations, one or more of which is located in each county. The rate of interest charged on these loans is 5 1-2 per cent, and the loans run through a period of 34 years, with the privilege of paying off the entire debt any time after five years. Mr. Deese says that the land banks, by taking care of the needs of the farmers so promptly during this period of financial depression, has already fully justified the glowing claims made for the system by its founders. He says the land bank has ample funds with which to take care of all legitimate applications for loans, the treasury department having within the last few days sold $75,000,000 of farm loan bonds, and this money will shortly be available for use of the several land banks.

Agricultural Credits – 1922

General

THE BLACK BELT AND THE BANKER

Mr. McClure Holds Our Problem is a Banker's Problem—Says Some Bankers Realize It.

Montgomery Advertiser 1/26/22

Dubberly, Ala., Jan. 26, 1922.

Editor The Advertiser:

My letter in your issue January 25th was not all I wrote. You called it quite naturally, but I fear what you did print may not have created the impression I should wish to convey. Appreciating what you did give space to allow me please to say further: I would not unjustly criticize the good banks and bankers of the Black Belt counties. I know there are several who have gone the limit of their resources under sound banking policies to help their patrons weather the storm. Our local situation is probably a great deal better than many other sections, due to the strength and able management of our banks. The extent of the banking sources of the Black Belt, however, is not satisfying to those who think they know wherein our main limitations are deficient. Nor would I try to create an excuse for any man who overloaded his capacity in extravagant policies. Our sins will always find us out and yet is it not in harmony with our theory of jurisprudence that better had we let a dozen guilty go free rather than punish one innocent. Neither am I a pessimist nor a knocker. But I do have a keen sympathy for the man who finds himself surrounded by conditions that appear unsurmountable, who paid debts as long as he could and now feels that he should better have hoarded money instead of paying debts. Was it the proper thing to work and fight on in 1921 rather than do nothing until the storm blows over? It is a sad commentary in our era of deflation for the man who did nothing in 1921 to be better off than the fellow who tried to do something. Who did nothing lost less than those who refused to quit. If we American people had a country as small as Holland, per capita, we should all be as conservative, as thrifty and as saving. While as it is should some of us have failed to branch out and take risks and avail ourselves of credit when offered it in ample measure and harder falls would still be contented with the "sales of centuries and not be heard in musical duets with the electric dynamo and the cotton loom" as many are today and twice many there are only awaiting unafraid capital and the touch of accomplished skill. But safety valves are still needed on all boilers; governors on all engines. Yet fuel is necessary in all fire-boxes and gas must be exploded in the cylinders for the thing to go forward. I am not only quite mindful of the problem of the fellow who can not crank his Ford and does not know what is the matter but I am always for the under-dog who puts up the best fight he could when fighting was the order of the day. We all know the fate of the Irishman who was told to look out and who looked out only to get his head knocked off when the signal warning struck it. Keep your head inside the window and not look out.

The Black Belt.

The Black Belt will work out its own salvation if allowed to function. Our era of diversification, dairying and live stock was well under way until hell broke loose in Europe and then later on in Georgia. Is there no friend to this goddess of diversification who does not condemn cotton for those who can make it profitably but who warns and warns again against the danger of having all your eggs in one basket. Can not our bankers do at this time a very great service in directing our people into channels leading to a more permanent prosperity? Does not the best authority in Alabama condemn the effort at making cotton under the easy-going, soft handed landlord, shiftless negro tenant, 800-pound mule and small plow outfit system? What have we to show for it and "it" has had over fifty years trial, but thousands of idle acres, some few prosperous looking vicinities and our bank deposits not one-fourth what they should be? Authorities re-America over have spoken of our soil being so wonderfully fertile and it in fact is rich and good and pretty; but are we not drifting back to the one crop idea of cotton only merely because for the present cotton seems to be the only farm product "current in every bank?" Is it not indeed and truth a fact that our lime lands are veritable storehouses of mineral elements of plant foods (phosphorous, potash and lime) but much of these elements are not available for the mere need of humus and organic matter? And has not our cotton and negro tenant system with all of its humus exhausting processes failed to kill the land and the boll weevil saying this continued soil robbery must stop? Does not every well posted land owner know that our black lands will not respond to the use of commercial fertilizer, therefore we have no means of stimulating our soil to hasten maturity of cotton as does the sandy land when fertilized with concentrated and expensive forms of the very elements of plant food we have in abundance but largely dormant? Is it going to take this year a wet July and August to convince us of the error of our way? Are we to be dependent upon our cotton and tenant system as our main source of production with only 50 cents in circulation to $5 circulating and paying off debts in counties where the land is not as good as hours, the labor situation not as good, no "artesian wells," no cotton being grown and nobody who knows how to make it if they could?

Credit and confidence and conviction but not cotton is the hope of the Black Belt. The hope of America in the future is a Federal Reserve System capable of financing us in peace as well as in war. Our hope of the Black Belt is a banking fraternity that will take the lead to keep the almost desperate farmer to make the best use of our lessons of the past demands of the future and opportunities of the present. With such assurance the farmer will sing (with no sacreligious impulses whatsoever), "I can, I will, I shall be saved," and the merchant, the manufacturer, the banker and all will be heard to join in every chorus.

W. C. McCLURE.

Race Works Billions in Farm Lands

Chicago Defender 2/11/22

Washington, D. C., Feb. 10.—In an interview, granted at his office in the United States Census Building last Friday, Charles E. Hall, division chief and expert on agricultural statistics, discussed very freely with Nahum D. Brascher, editor-in-chief of the Associated Negro Press, and J. Le C. Chestnut, local representative of the Chicago Defender, significant points of attack in connection with the problem confronting Race farmers, points deduced from figures in his special studies.

First, Mr. Hall showed conclusively that the per capita acreage under cultivation by Race men was far below the too low per capita standard of the whites.

As a remedy for this lack of acreage control Mr. Hall urged that the Race farmers become better acquainted with the federal farm loan provisions and avail themselves of its possibilities.

Furthermore, Mr. Hall stated that the co-operative buying and selling plan for farmers carried untold possibilities for our Race planters. He advocated study and dissemination of knowledge in connection with this up-to-date method.

In conclusion the census expert expressed himself as highly pleased with the large total, $2,257,645,325, in value of land and buildings in use by Race men engaged in agriculture. In this connection, however, he called attention to the significant point that of the 925,708 farm operators, 705,070 were but tenants.

Federal Farm Loan Act: How It Will Help the Farmer

Review of Provisions of Act by Congress Providing Funds for Farmers and Farm Laborers to Buy Land or Pay off Mortgages

New York Age 4/1/22

(By CHARLES E. HALL).

On June 28th, 1916, Congress passed a Bill known as the Federal Farm Loan Act. Its purpose is to lower the interest on first mortgage farm loans, to provide long term loans with the privilege of repayment in installments through a long or short period of years, at the option of the borrower and to make it easier for the purchase of land by those who wish to farm. All actual farmers prospective farmers, tenants or farm [illegible] held against their property, who are about to purchase land for their own use, who wish to make permanent improvements, or purchase livestock, tiliver or machinery, may apply for membership in a local National Farm Loan Associatiton, and may become members when their applications for loans have been favorably acted upon by the directors o fthe Association. The final appraisal of the value of the property offered determines the amount of money that can be loaned, up to 50 per cent of the value of the loan, plus 20 per cent of the appraised value of the permanent insured improvements. The Federal Farm Loan Board appoints the appraiser upon the recommendation of the Federal Land Bank of the district.

Are Local Corporations.

National Farm Loan Associations are local corporations, chartered by the Federal Farm Loan Board of the United States Treasury Department at Washington, D. C., and they can be organized by ANY ten or more farmers whose application for loans reach a total of not less than $20,000. No farmer can borrow less than $100, or more than $10,000 on first mortgage, the maximum rate being six per cenn per annum, payable, at the option of the bororwer every six months or yearly. In addition to the six per cent interest charge is another charge of one per cent. This total of SEVEN per cent applies to the paying off of both the interest and the principal, and can be arranged by the borrower to extend from five to thirty-three years.

longer term of years has the privilege after five years, of paying off the entir mortgage, or of reducing it by making any number of prepayments on his loan. If allowed to run thirty-three years, the SEVEN per cent payments will fully cancel the principal and all interest charges. In other words, a payment of $70 per year on each $1,000 borrowed takes care of both the principal and the interest, and there are no RENEWALS to be bothered with, or burdensome COMMISSIONS to be paid for service.

For Benefit of All Farmers.

[illegible]00 more money than it cost to run expenses of the public from the [illegible] of the adoption of the Constitution to 1912. You were in full charge of war. You permitted soldiers to fre[illegible] and die in barracks and in hospitals There were cries of "No, no!" fr[illegible] Association within easy reach, or if there is one in your neighborhood that does not care to admit the Negro farmers living in the locality to membership, it is your duty to report the FACTS in the case (not what you think) to the Federal Land Bank that has supervision of the district in which you live, OR TO THE FEDERAL LOAN BOARD WASHINGTON, D. C.

While the law specifically states that ANY ten or more farmers may organize an Association, it is not the idea to have multiplicity of associations in the same locality, or to have SEPERATE associations based on color, religious belief or nationality. Congress enacted this legislation for the benefit of ALL farmers, rather than for a particular group of farmers, and no monopoly of territory will be allowed to any association.

This is a splendid opportunity for our farmers throughout the entire country to concel their present mortgage indebtedness, to purchase additional land, to improve their farming equipment, to increase the number and to improve the grade of livestock, and to make permanent physical changes that tend to increase the productive value of their farms, such changes as are made by clearing, tiling, draining, fencing and building. Copies of a circular on "How farmers may form a National Farm Loan Association" may be secured free by addressing the Federal Farm Loan Board, Treasury Department Washington, D. C.

Two Plans to Aid the Credit Machinery of the Farmer

IT IS pretty generally recognized that our credit machinery is not at all adapted to farm conditions. To remedy this defect in our financial system two plans have been submitted. One of these was worked out by the Congressional Joint Commission of Agricultural Inquiry, and takes the form of a bill to amend the Federal Farm Loan Act by establishing a farm credits department in each Federal Land Bank. "In brief, this bill provides that Federal Land Banks may rediscount notes given for money advanced to farmers for agricultural purposes, such notes having a maturity of not less than six months nor more than three years, these notes to be converted into short time debentures to be sold to the public in the same way that farm loan bonds are now sold. It is proposed further that such notes shall be eligible for rediscount at any Federal Reserve Bank when they have reached a maturity of not less than six months; also the Federal Reserve Banks would be authorized to buy and sell the debentures issued by the Farm Loan Board, as they now buy and sell farm loan bonds.

"The other report was made by the National Agricultural Conference. This committee recommended legislation to empower an agency of the Government to discount for banks, trust companies, incorporated livestock associations, etc., any note the result of money advanced or used in the first instance for an agricultural purpose; also to make loans direct to coöperative associations of farmers, such loans to have a maturity of not less than six months nor more than three years at the time they are discounted. Such agency would be authorized to issue or sell debentures with a maturity of not more than three years, and Federal Reserve Banks would be authorized to rediscount for such agency, as well as to buy and sell debentures and other obligations issued by such agency. The committee proposed also that the Federal Reserve Act be amended to give Reserve Banks authority to buy and sell notes secured by warehouse receipts covering readily marketable, non-perishable agricultural staples, and also notes secured by livestock."

SENATOR WILLIS SAYS NEGRO FARMERS NOT DISCRIMINATED AGAINST

By Farm Loan Board

Washington, D. C., May 22 1922.

Hon. Harry C. Smith,
Editor Gazette, Cleveland, O.

Dear Mr. Smith:—I think you will be interested in the attached letter from the Farm Loan Board relative to an article which appeared in the New York Age on April 8th, stating that "Negroes are barred from Farm Loans."

As soon as I saw this article I addressed an inquiry to Mr. Smith and it is to that inquiry that the enclosed letter si a reply.

Very truly yours,
FRANK B. WILLIS

Treasury Department
Federal Farm Loan Bureau,

Hon. Frank B. Willis,
United States Senate,
Washington, D. C.,

My Dear Senator—On my return from the west I find your letter of the 19th of April, which had been acknewledged by my secretary on April 22nd, in which you enclosed a copy of "The New York Age," date of April 8, 1922, which contained an article by Mr. Charles E. Hall who claimed therein that colored farmers were debarred from the benefits of the federal farm loan system.

With yourself, I regret exceedingly that Mr. Hall should have taken this attitude especially in view of the fact that the general statements are absolutely without foundation. The fact is that naional farm loan associations have been formed in some states whose membership is entirely composed of colored farmers. There are also many instances, in localities where the colored farmers are not sufficiently numerous as owners to form an association of their own race they they have beea admitted as members in associations of white farmers and have received their loans accordingly. It is possible, of course, that in some localities prejudice of white farmers to admit colored farmers might have prevented some farmers of the Negro race from reaping the benefits of the Federal farm loan system. But this is a condition over which this bureau has no control whatever. I can assure you, however, that the system as such draws no racial distinction, the main question being always the nature of the security for loans.

I have been informed that Mr. Hall called at this bureau recently and was given the above information; was even shown applications for loans from colored farmers which had been made. Therefore, his statements seem all the more unjustifiable in view of this fact.

Veru truly yours,
Member Farm Loan Board,
WM. S. A. SMITH.

DIVISION OF BEHAVIORAL SCIENCE RESEARCH REEL 15

Agricultural-Credits-1922 General.

Federal Farm Loan Bureau Member Denies Prejudice

Declares That Negro Farmers Are Given Every Opportunity to Take Advantage of Government's Bounty

Replies to Chas. E. Hall

Admits That Local Instances of Discrimination May Have Happened, Which Was Sum of Declaration by The Age's Correspondent

New York Age 6/10/22

In THE AGE of April 8 last was published an article written by Charles E. Hall of Washington, telling of the operations of the Federal Farm Loan Bureau and the difficulty experienced by Negro farmers in certain localities in receiving the benefits of that organization. Mr. Hall stated that in some sections, both North and South, colored farmers were not accorded the full privileges they were entitled to under the Federal farm loan act.

Senator Frank B. Willis of Ohio, a member of the Senate Committee on Immigration, read this article and called it to the attention of W. S. A. Smith, a member of the Federal Farm Loan Bureau, and this latter official wrote Senator Willis, denying that any discrimination was practiced by the Federal Farm Loan Bureau against the colored farmer. Senator Willis then wrote the editor of THE AGE, sending a copy of Mr. Smith's letter, with the suggestion that it be published. The correspondence is as follows:

UNITED STATES SENATE.
Committee on Immigration.

May 22, 1922.

Editor of THE NEW YORK AGE:

Some little time ago my attention was called to an article in your paper under date of April 8th, by Charles E. Hall in which the statement was made that Negroes were barred from farm loans. I at once called the attention of Hon. W. S. A. Smith of the Federal Farm Loan Bureau to this article and just have his reply. In fairness to the Farm Loan Board and to your own race would it not be well to publish Mr. Smith's letter?

Yours very truly,

(Signed) FRANK B. WILLIS.

TREASURY DEPARTMENT
WASHINGTON

FEDERAL FARM
LOAN BUREAU

May 1, 1922.

Hon. Frank B. Willis
United States Senate
Washington, D. C.

My dear Senator:

On my return from the West I find your letter of the 19th of April, which had been acknowledged by my secretary on April 22nd, in which you enclosed a copy of "THE NEW YORK AGE," date of April 8th, 1922, which contained an article by Mr. Charles E. Hall, who claimed therein that colored farmers were debarred from the benefits of the Federal farm loan system.

With yourself, I regret exceedingly that Mr. Hall should have taken this attitude, especially in view of the fact that the general statements are absolutely without foundation. The fact is that national farm loan associations have been formed in some States whose membership is entirely composed of colored farmers. There are also many instances, in localities where the colored farmers are not sufficiently numerous as owners to form an association of their own race that they have been admitted as members in associations of white farmers and have received their loans accordingly.

It is possible, of course, that in some localities prejudice of white farmers to admit colored farmers might have prevented some farmers of the Negro race from reaping the benefits of the Federal farm loan system. But this is a condition over which this Bureau has no control whatever. I can assure you, however, that the system as such draws no racial distinction, the main question being always the nature of the security for loans.

I have been informed that Mr. Hall called at this Bureau recently and was given the above information; and was even shown applications for loans from colored farmers which have been made. Therefore his statements seem all the more unjustifiable in view of this fact. In accordance with your request I am returning said enclosure.

Very truly yours,
(Signed) WM. S. A. SMITH.
Member Farm Loan Board.

NOTE BY EDITOR: It is evident, from a reading of Mr. Hall's article, that Mr. Smith has placed the wrong construction upon what he said. There was no reflection whatever upon the Federal Farm Loan Bureau, because it was clearly stated that the alleged discrimination against colored farmers in the matter of farm loans was purely a local condition, existing in the North as well as the South. This condition, it is believed, is due largely to the fact that most all organizations among farmers are linked to a more or less degree with their restricted social opportunities. The Negro farmer is not interested particularly in the social side, bue it is of vital importance that he be allowed to participate in all the benefits conferred by the Federal Farm Loan Bureau. A farmer writes from Illinois, saying: "The colored farmers in Massac county have found it impossible to secure a government loan. One farmer in the neighborhood upon application for membership and a loan was told by the local committee that *the white people would be considered first.*" The same condition is said to obtain in West Virginia, Missouri and other states, and some localities the colored farmer does not even know about the farm loan system. Mr. Hall's article referred to these *local conditions* and did not attempt to imply that the Federal Farm Loan Board was responsible. With reference to the call made by Mr. Hall at the Bureau, referred to in Mr. Smith's letter, at which time he claims that Mr. Hall was shown applications from colored farmers for loans which have been made, Mr. Hall writes as follows: "Mr. Smith is in error about applications to Negro farmers having been shown to me. My first visit to the Farm Loan Bureau was in company with a colored preacher from North Carolina who claimed that thirty-six farmers in his county had organized an association, but that they could not get a charter from the Columbia, South Carolina, bank. I assisted in adjusting the matter *and emphasized to him my belief that the trouble he and his group was having was of local origin.*")

DIVISION OF BEHAVIORAL SCIENCE RESEARCH

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Federal Farm Loan Board Has Three Vacancies To Be Filled

New York Age 7-8-22

Terms Expiring and Resignations Place What is Practically a Reorganization of Body in the Hands of President Harding

(Special to The New York Age).

Washington, D. C.—The present status of the personnel of the Federal Farm Loan Board indicates that a complete reorganization of that body is imminent. W. S. A. Smith, one of the Republican members, is nearing the end of his term; Lever of South Carolina is out and Joyce of California, another Democrat, is about to resign.

Those familiar with the farm loan situation declare that the future of the farm loan system is now up to President Harding, for upon the caliber of men appointed to fill these vacancies depends the carrying out of plans vastly beneficial to the farmers. The board consists of five members, one of whom is the Secretary of the Treasury. The salary is $10,000 a year.

The federal land banks have loaned the farmers eligible for loans more than $300,000,000, in every state of the Union, at rates running from 5½ per cent. to six per cent. on long time and easy terms. Privately owned loan agencies have had to comepete with these farm loan banks, and the benefit to the farmers from this system can scarcely be overestated.

Articles appearing in the columnis of The New York Age within recent weeks touching on the matter of Negro farmers not being granted free access to federal land bank loans attracted considerable attention and led to an interchange of letters between Senator Frank B. Willis of Ohio and W. S. A. Smith of the Federal Farm Loan Board, in which correspondence Mr. Smith denied to Senator Willis that Negro farmers were barred from access to loans. Senator Willis transmitted this correspondence to the editor of The Age and it was published in the issue of June 10, 1922.

Men who are in touch with the situation here are of the opinion that regardless of President Harding's action in filling the board vacancies it is practically certain that Negro farmers will be allotted a share in the land bank loans to a greater extent than ever before by reason of the campaign of publicity conducted by The New York Age.

Much surprise has been expressed by some of those familiar with conditions that colored newspaper editors have not shown more interest in this matter. Their general apathy leads to the belief that they do not realize the opportunity offered the colored farmer through thiis system of farm loans. It is hardly possible that they can be indifferent.

JOINT LAND BANK FORMED SATURDAY

Atlanta Constitution 8-6-22

Is Capitalized at $300,000 Minimum and Will Make Loans to Farmers of Two States.

The preliminary organization meeting of the shareholders of the Atlanta Joint Stock Land bank was held in the offices of Hollins N. Randolph, Healey building, yesterday. A number of bankers from all sections of Georgia and Alabama were represented at the meeting. The organization committee, composed of A. B. Simms, Hollins N. Randolph, Robert E. Harvey, and Edgar T. Gentry, reported that practically the entire capital of $300,000 had been subscribed.

It was decided note to complete the board of directors Saturday. Seven directors will act as a committee to perfect the organization plans and secure a charter as outlined under the provision of the federal farm loan act. The following were elected directors: Edgar T. Gentry, Hollins N. Randolph, Robert E. Harvey, A. B. Simms, J. H. Ewing, of Atlanta; Joseph Calhoun, Cartersville, Ga.; and B. W. Pruet, Anniston, Ala.

The Atlanta Joint Stock Land bank is a government institution which will function in the states of Georgia and Alabama, making loans to farmers at not over 50 per cent of the value of their lands as appraised by the government, at a rate of 6 per cent interest for a long term of years. This institution may make loans and acquire mortgages in amounts up to 15 times its capital and surplus.

Against these mortgages the government issues bonds from the treasury department. These bonds which are instrumentalities of the government are free from taxation and are sought by investors. The organization of the Atlanta Joint Stock Land bank has been hailed with enthusiasm by bankers and land owners in all sections of Georgia and Alabama. They realize that the Atlanta Joint Stock Land bank will furnish the vehicle whereby farm mortgages can be placed with the government for a long term of years under the amortization plan as prescribed by the law. The minimum capital and stock of this bank will be $300,000 which will be increased from time to time as the demands of agriculture require. The authorized capital is $2,500,000.

General.

The Mask is Off: Why They Fight Co-operative Marketing

Progressive Farmer
Birmingham, Ala. 11-4-22

EVEN more remarkable than the victory won by coöperative marketing in this case were the arguments made by the opponents of coöperative marketing in order to break it up. Here was revealed with brazen shamelessness the true inwardness of all the bitter and determined fight that special interests have made and will continue to make against the effort of the farmer to free himself from such special interests, and instead to "make himself master of his own industry."

Wherever opponents of coöperative marketing have found a farmer they thought they might fool these last two years, what have they told him? Haven't they told him that coöperative marketing was a weak and futile thing that could never amount to much? Haven't they told him that coöperative marketing offered no special benefits nor special advantages to the farmer and that he might as well let it alone?

But speaking under the solemn auspices of a great court trial intended to break up coöperative marketing, what did these distinguished attorneys say? Did they say that coöperative marketing is a futile thing, a thing that can never amount to much, no matter how many farmers go into it? Did they say the coöperative marketing promised the farmer no special benefits, no special advantages?

Not within a thousand miles of such a thing!

These distinguished attorneys in their solemn affidavits appealed to the courts to break up coöperative marketing for two great reasons and two great reasons only:—

First, they said that coöperative marketing will give the farmer such tremendous power that if it goes on unchecked, then farmers will soon be able to dictate the prices of all their great staple products and that manufacturers and buyers and the whole commercial and consuming world will be at the mercy of the farmer.

Second, they said that the coöperative marketing law gives the farmer, the producer of agricultural products, special privileges and advantages for getting the upper-hand of other classes, and for this reason these attorneys declared the standard coöperative marketing law as recently adopted by practically all Southern states from Texas to Virginia inclusive, is unconstitutional and must be swept off the statute books of these states.

Thank God, the mask is off. Hereafter when you hear someone saying that coöperative marketing "won't amount to anything" and "doesn't promise anything to the farmer," just remind him of the sworn charges made by the opponents of coöperative marketing as they fought for their lives in court. These men are fighting coöperative marketing because it really **does** promise to become powerful enough to make the farmer master of his own industry! They are fighting to control the legislatures of the South next time so as to repeal the coöperative marketing law because they admit that it really **does** give the farmer greater advantages than he has ever before enjoyed in any fight to control the products of his own labor!

THE FIGHT AGAINST THE FARM BUREAU

Montgomery Advertiser

We have before us a copy of the Southern Labor Review of Birmingham, Alabama, of Wednesday, August 16, 1922. On the cover page is an article entitled, "A Word of Warning For Alabama Farmers," by Mr. J. F. Scofield, of Jasper, Alabama, president of the Farmers Union. This article is an attack on the Farm Bureau, the Farm Bureau Cotton Association and the Extension Service of the Alabama Polytechnic Institute.

8-25-22

In the Birmingham News of August 25 a report is given of a speceh made by Mr. Scofield in a secret session of the Farmers Union in which he makes an arraignment of the Farm Bureau and representatives of the Extension Service. Along with this report is printed a strong resolution showing the interest of the Farmers Union in Labor unions.

The Advertiser holds no special brief for the Farm Bureau or the Extension Service. However, we feel in justice to the splendid work which is being done by the Farm Bureau in co-operation with the Extension Service and in all fairness to the very high type of leadership at Auburn and in the Farm Bureau offices here that a word should be said in their behalf.

The Alabama Farm Bureau has about 14,000 active members. Practically every county in the State has a strong Farm Bureau, in some counties the membership runs as high as 600 to 800. These farmers have accepted the extension Service as a great public institution which is to serve them. They realize that to get the most out of this service it is necessary to get in touch with it, co-operate with it and support it which the Farm Bureau members are doing.

During the past year the Farm Bureau in co-operation with the Extension Service at Auburn has pooled nearly 200,000 bales of cotton under a five-year legal contract. These farmers have elected a board of business farmers which would do credit to any institution in the land. This association has offices occupying almost two floors, includ-

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ing the grading and stapling rooms, in the Fourth National Bank Building. It has a credit of $6,000,000. It is receiving cotton now rapidly from all parts of Alabama and has already started to make sales. In its management will be found some of the foremost business men, cotton classers, graders and salesmen in the South.

In like manner more than 20,000 tons of hay have been pooled under a similar contract and one of the most efficient hay sales association in the country is moving forward in fine business shape.

During the season just closed some 800 cars of Alabama watermelons were graded, standardized and sold at the top of the market all over the United States and Canada.

Other big plans are ahead for the Extension Service and the Farm Bureau working together and it is all good not only for the farmers but for every business interest and every citizen in the State.

The word of warning from Mr. Scofield might be given some consideration if the record of the Farmers Union was better for service and less for partisan, political activity. This organization has always been looked upon in Alabama as more or less of a political one. In the recent bitter contest for Congress in the Tenth district whatever strength the Farmers Union could muster was used to defeat the Honorable W. B. Bankhead for Congress but even here the Farmers Union under the leadership of Mr. Scofield was a miserable failure.

There is one thing about this article in the Southern Labor Review by Mr. Scofield which is deplorable above all else and that is it seems that some of our foremost citizens are allowing their names to be used in connection with it.

In any event we glory in the leadership of our great college at Auburn and in the brilliant achievements of the Extension Service in co-operation with the leading farmers under the banner of the Alabama Farm Bureau.

DIVISION OF BEHAVIORAL SCIENCE RESEARCH REEL 15

Agricultural Credits - 1922 Texas

U. S. LAND BANK EXTENDS SCOPE OF FARM LOANS

Houston Sec. Post

Money Available for New Purposes, It Is Announced

Applications may now be made by farmers for funds for any of the several agricultural purposes stipulated by the federal farm loan act, it was announced at the office of the Federal Land bank of Houston Friday. Notices to this effect are being sent all secretary-treasurers in the Tenth district, which embraces the entire State of Texas.

Heretofore loans have been approved only for the purpose of liquidating indebtedness incurred by the purchase of farms or indebtedness accumulated against growing crops, but the relaxation of restrictions will mean that farmers may now obtain funds to buy live stock, farm implements and make necessary improvements.

In making this announcement President M. H. Gossett stated that the Houston bank has been making loans at the rate of $2,000,000 per month for the last four months and it is expected that this total will become much larger with the new ruling which results from better prospects for bond sales and the general strength of the country's bond markets.

Mr. Gossett's statement follows:

"The Federal Land bank of Houston is now making loans at the rate of $2,000,000 per month, and has been for the last four months. Up to this time, we have been limiting the purposes of loans to the taking up of purchase money indebtedness against farms or indebtedness incurred for agricultural purposes.

"The prospects for bond sales, however, at this time justifies the executive committee in relaxing the purposes of loans heretofore approved and we are now notifying all secretary-treasurers in the Tenth Federal Land bank district that they are free to take applications from farmers of unquestioned eligibility for all the purposes authorized under the farm loan act; that is to say, in addition to the two purposes above stated, to buy land, to buy live stock needed in the operation of farms and ranches, to buy farm equipment, and to make necessary improvements."

DIVISION OF BEHAVIORAL SCIENCE RESEARCH REEL 15